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Honorable Timothy W. Dore
Chapter 7

8 UNITED STATES BANKRUPTCY COURT
9 WESTERN DISTRICT OF WASHINGTON
10 AT SEATTLE

11 In re:

12 WIRELESS ADVOCATES, LLC

13 Debtor.

Case No. 23-10117-TWD

**STIPULATION AUTHORIZING
ADEQUATE PROTECTION AND USE
OF CASH COLLATERAL PURSUANT
TO SECTIONS 361 AND 363 OF THE
BANKRUPTCY CODE**

14 **I. INTRODUCTION**

15 This *Stipulation Authorizing Adequate Protection and Use of Cash Collateral Pursuant to*
16 *Sections 361 and 363 of the Bankruptcy Code* (the “Stipulation”) is made and entered into by
17 Virginia Burdette, as Chapter 7 Trustee for Wireless Advocates, LLC (the “Trustee”) and Daniel E.
18 Brettler (“Brettler”). The Trustee and Brettler are collectively referred to herein as the “Parties.”

19 **II. RECITALS**

20 A. Wireless Advocates, LLC (the “Debtor”) was a provider of wireless products and
21 services both online and in retail locations. The Debtor’s business included selling phones and
22 services for AT&T, T-Mobile, and Verizon via kiosks in retail locations such as Costco, and on
23 military bases at various locations across the country. Brettler was the CEO of the Debtor since the
24 Debtor began operations in 2004.
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1 B. On January 23, 2023, certain petitioning creditors filed an involuntary bankruptcy
2 petition against Wireless Advocates, LLC (the “Debtor”), under chapter 7 of Title 11 of the United
3 States Code (the “Bankruptcy Code”), commencing this chapter 7 bankruptcy case (the “Bankruptcy
4 Case”). An order for relief was entered on February 27, 2023.

5 C. The Trustee was appointed as the interim trustee of the Debtor pursuant to Section
6 701 of the Bankruptcy Code and later became the Trustee pursuant to 11 U.S.C. § 702. The Trustee
7 intends to file one or more motions from time to time to authorize her to pay certain allowed
8 administrative expenses (including without limitation certain administrative expenses incurred in the
9 Debtor’s certain pending King County Superior Court receivership case, Case No. 22-2-20145-2
10 SEA, the “Receivership Case”) which are allowed under 11 U.S.C. §§503(b) and 543(b)
11 (collectively, the “Allowed Administrative Expenses”), from funds of the estate pursuant to 11
12 U.S.C. §§ 363(b).

13 D. Brettler asserts that he made one or more personal pre-petition secured loans to the
14 Debtor pursuant to the terms of, and as evidenced in part by, the Junior Secured Loan Agreement
15 dated December 1, 2022 between the Debtor and Brettler (the “Brettler Loan Agreement”), and the
16 Junior Secured Line of Credit Note dated December 1, 2022 (the “Brettler Note”).

17 E. Brettler asserts that the Debtor’s obligations to him (including but not limited to the
18 Debtor’s obligations under the Brettler Loan Documents, as defined below, the “Brettler Secured
19 Claim”) are secured by the Brettler Security Agreement dated December 1, 2022 (the “Brettler
20 Security Agreement”), which grants first priority, valid and perfected security interests (the “Brettler
21 Security Interests”) to Brettler in substantially all of the Debtor’s assets (the “Collateral”), including
22 all of the Debtor’s cash on hand and cash proceeds (the “Cash Collateral”). Brettler further asserts
23 that he perfected his security interests in the Debtor’s Collateral by filing a UCC-1 financing
24 statement (the “Brettler Financing Statement”) on or about August 15, 2022. The Brettler Loan
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1 Agreement, the Brettler Note, the Brettler Security Agreement and the Brettler Financing Statement
2 are collectively referred to as the “Brettler Loan Documents”.

3 F. Brettler asserts that under the Brettler Loan Documents, the Debtor owes him
4 \$4,954,607.00 in principal (the “Brettler Principal”) plus accrued and accruing interest of at least 8%
5 per annum (the “Brettler Accrued Interest”), attorneys’ fees and costs.

6 G. As of the date of this Stipulation, there are no other parties that have asserted an
7 interest in the Debtor’s Cash Collateral.

8 H. The schedules of assets and liabilities of the Debtor indicate that the Debtor has Cash
9 Collateral substantially exceeding the current value of the Brettler Security Interests, together with
10 various other accounts receivable, inventory and other Collateral which are as yet unliquidated. The
11 Trustee therefore asserts that any interest that Brettler has in the Debtor’s Cash Collateral she
12 proposes to use pursuant to this Stipulation is adequately protected by the sizeable equity cushion
13 existing in the Debtor’s Cash Collateral (the “Cash Collateral Equity Cushion”).

14 I. The Trustee has an immediate and ongoing need to use the Debtor’s Cash Collateral,
15 in order to pay Allowed Administrative Expenses arising from the administration of the Bankruptcy
16 Case and/or the Receivership Case and in order to preserve and maximize the value of the assets of
17 the Debtor’s bankruptcy estate. The Trustee believes that the terms set forth herein are in the best
18 interests of the bankruptcy estate and are essential and appropriate to avoid immediate harm to the
19 bankruptcy estate, assets, and employees.

20 J. The Parties have agreed to the following Stipulation, as well as the form of the
21 proposed order approving such Stipulation (the “Order”), which upon entry by the Bankruptcy Court
22 authorizes the Trustee to use Cash Collateral to pay Allowed Administrative Expenses, subject to the
23 terms of this Stipulation.

24 III. STIPULATION

25 NOW THEREFORE, subject to Bankruptcy Court approval by entering the Order submitted
26 in connection with this Stipulation, the Parties hereby STIPULATE AS FOLLOWS:

1 1. Brettler consents to the Trustee's use of Cash Collateral to pay Allowed
2 Administrative Expenses, provided that the Trustee shall notify Brettler if she seeks allowance and
3 payment of Allowed Administrative Costs which would deplete the level of cash collateral below
4 \$5.5 million and in the event of such notice, nothing in this Stipulation or Order shall preclude
5 Brettler from objecting to such proposed payment from cash collateral based upon lack of adequate
6 protection or any other legal or equitable grounds.

7 2. In the event the Trustee identifies any Cash Collateral proceeds of Collateral subject
8 to any competing secured claims, such Cash Collateral shall be held in a separate, segregated
9 account, subject to Brettler's and any such competing alleged secured party's liens.

10 3. The Parties agree that the Brettler Security Interests are currently adequately
11 protected by the Collateral Equity Cushion. Nothing in this Stipulation and the Order, however,
12 shall preclude Brettler from filing an adversary proceeding seeking a determination of his secured
13 status pursuant to Section 506(a) or to rescind his consent to the Trustee's use of Cash Collateral,
14 upon a duly noted motion and upon a showing of an actual lack of adequate protection for the
15 Brettler Security Interests despite the terms of this Stipulation and the Order.

16 4. The Court shall retain jurisdiction to determine, allow and direct payment of any
17 amounts claimed by Brettler as part of his Brettler Secured Claim, including without limitation, any
18 claimed default rate interest or the reimbursement of Brettler's attorneys' fees and costs.

19 5. Nothing in this Stipulation shall prejudice the rights of the Trustee or any other party-
20 in-interest, with respect to the Brettler Secured Claim, including in relation to (i) the validity, extent,
21 priority, or perfection of Brettler's asserted security interests and liens in the Debtor's assets, (ii) the
22 validity, allowance, priority, or amount of any of the obligations that Brettler asserts are owed to him
23 by the Debtor, including under the Brettler Loan Documents.

24 6. This Stipulation and proposed Order are without prejudice to, and nothing contained
25 herein constitutes or shall be deemed a waiver (expressly or implicitly) by the Trustee of, any rights,
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1 claims, or defenses that the Trustee may have against Brettler or any other party-in-interest in this
2 chapter 7 case or otherwise. For his part, Brettler reserves any and all claims or rights he may hold
3 against the WA estate, not inconsistent with the foregoing, including without limitation his right to
4 seek additional adequate protection or an order of the Bankruptcy Court for allowance and payment
5 of the Brettler Secured Claim.

6 7. The Parties certify that this Stipulation complies with the Guidelines for Cash
7 Collateral and Financing Stipulations set forth in Appendix A to the Local Bankruptcy Rules, and
8 that no provisions described in Part A of such guidelines are contained in this Stipulation.

9 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.

10 Dated this 14th day of April, 2023.

11 K&L GATES LLP

12 /s/ Michael J. Gearin

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Attorneys for Daniel Brettler

CERTIFICATE OF SERVICE

The undersigned declares as follows:

That she is a paralegal in the law firm of K&L Gates LLP, and on April 14, 2023, she caused the foregoing document to be filed electronically through the CM/ECF system which caused Registered Participants to be served by electronic means, as fully reflected on the Notice of Electronic Filing.

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

Executed on the 14th day of April, 2023 at Seattle, Washington.

/s/ Denise A. Lentz
Denise A. Lentz